

PANAMA CANAL ADMINISTRATOR TO HOLD TELECONFERENCE CALL TO SPEAK ABOUT THE SIGNIFICANCE OF THE AGREEMENT

TELECONFERENCE CALL

10:00 A.M. (EST) WEDNESDAY, DECEMBER 10, 2008

Who: Panama Canal Authority (ACP) Administrator/CEO Alberto Alemán Zubieta

What: Panama Canal EXPANSION FINANCING ANNOUNCEMENT

ACP Administrator/CEO Alberto Alemán Zubieta to speak about the financing of the Canal's Expansion Program.

Where: Teleconference call

- International Dial-in Number: **+1 785.424.1051**
- U.S. Dial-in Number: **1.800.862.9098**
- Conference ID: **7PANAMA**

When: Wednesday, December 10, 2008
10:00 a.m. (EST)

Contacts: Tamika Hawkins, 202.350.6648, tamika.hawkins@edelman.com
Emily Schoenfelder, 202.326.1832, emily.schoenfelder@edelman.com

*****Please RSVP by 3:00 p.m. Tuesday, December 9*****

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During the program, President Torrijos and Mr. Alemán Zubieta provided remarks and Mr. Moreno spoke on behalf of the five lenders.

The \$2.3 billion financing package will cover a portion of the \$5.25 billion total cost of the project and will be allocated as follows:

ACP Expansion Program Financing Structure	
Multilateral and Development Agencies	Amount
Japan Bank for International Cooperation (JBIC)	\$ 800 million
European Investment Bank (EIB)	\$ 500 million
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International Finance Corporation (IFC)	\$ 300 million

(Note: Amounts listed in U.S. dollars.)

The negotiated financing structure includes favorable provisions for the ACP including a 20-year amortizing period with a 10-year grace period and establishes an unsecured, untied financing for the ACP, whereby there are no prerequisites to contract from any one source.

The ACP reached a "Common Terms Agreement" with the five agencies whereby the agencies agreed to equivalent terms and conditions within the financing structure.

Considering the overall competitiveness of the Panama Canal route, the remaining amount for the project will be financed through Canal-generated cash flow.

"I would like to congratulate His Excellency Martín Torrijos, the Panamanian government and all Panamanians for having the long-term vision to allow this project to become a reality," said IDB President Luis Alberto Moreno. "The solid financials, the excellent management record, robust governance and social responsibility of the ACP are proof that its leader, Mr. Alemán Zubieta, and his team, make the ACP a model to follow for other companies in Panama, Latin America and the world."

"I would like to recognize President Torrijos for planting the seeds for Panama in the past few years that will put the country on a path to prosperity that history will acknowledge. You are setting the foundations for a better tomorrow for all Panamanians, as has been your wish," he added.

Since July 2007, the ACP, in conjunction with its financial consultant, Mizuho Corporate Bank, Ltd., and its international legal advisor for financing, Shearman & Sterling, has been approaching financial institutions to determine the most viable financing for the waterway's Expansion Program. The process began in Panama and continued with presentations to a number of financial institutions in New York, Washington, Hong Kong and London.

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Recently, the ACP received its first-ever prospective investment grade rating. Moody's Investors Services, one of the world's top credit rating agencies, gave the ACP an A1 as a government-related issuer, and a prospective A2 investment grade for the \$2.3 billion financing for the expansion project – thus reaffirming Panama's growing presence in the international marketplace.

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The New Panama Canal: A Better Way To Go

FOR IMMEDIATE RELEASE

CONTACTS: Teresa Arosemena
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Roqueña Domingo
+507.6516.7752

LEADERS OF MULTILATERAL AGENCIES AND THE PANAMA CANAL SIGN AGREEMENT FOR \$2.3 BILLION TO FINANCE THE CANAL EXPANSION PROGRAM

REINFORCES TRUST AND CONFIDENCE IN CANAL MANAGEMENT AND PANAMA'S ECONOMY AND POLITICAL STABILITY

PANAMA CITY, Panama, December 9, 2008 – Amid a strained and uncertain global economy, one historic construction project continues to reinforce Panama's economic growth and political stability: the expansion of the Panama Canal. Today, on the heels of Panamanian President Martín Torrijos' recent expansion financing structure announcement, senior leaders of five multilateral and development agencies convened at Panama's Ascanio Arosemena Theater with Canal officials to sign an agreement on the financing for the waterway's expansion.

Representing Asia, Latin America, Europe and the United States, the agency leaders joined President Torrijos, ACP Administrator/CEO Alberto Alemán Zubieta and the ACP Board of Directors for the special expansion financing event, culminating months of extensive negotiations.

"The geographic diversity of the offers and the high profiles of the institutions, demonstrate the international market's trust and confidence in the high-growth performance of the Panamanian economy and the successful management of the Panama Canal," said Mr. Alemán Zubieta.

"Today we have reached a major milestone for both the Canal and our country. The support of these major lenders for the largest infrastructure project in Latin America is truly encouraging and inspiring. Thank you for the trust and confidence you have demonstrated for Panama," he added.

Multilateral and development agency officials in attendance included: Yoshihiko Morita, vice president, Japan Bank for International Cooperation (JBIC); Francisco de Paula Coelho, Latin America and Asia director, European Investment Bank (EIB); Luis Alberto Moreno, president, Inter-American Development Bank (IDB); Enrique García Rodríguez, executive president, Corporación Andina de Fomento (CAF); and, Juan Jose Daboub, World Bank Group managing director, International Finance Corporation (IFC).

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Press Release

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EXPANSION IMAGE OF THE MONTH: PANAMA CANAL SIGNS \$2.3 BILLION EXPANSION FINANCING AGREEMENT

PANAMA CITY, Panama, December 10, 2008

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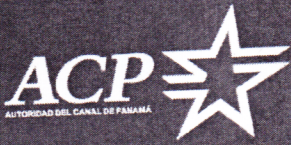
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Associate Editorial Page Editor
Investor's Business Daily
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Los Angeles, CA 90066

Dear Mr. Jones:

I read with interest your editorial, "A sea change in the Caribbean," and wanted to correct a key point made in the piece about the Panama Canal. Let me assure you categorically and definitively that the Canal is only run, operated and owned by Panama and Panamanians. Indeed, the treaty signed by Panama and the United States ensures this under Panamanian law.

The notion of Chinese involvement at the Canal surfaced several years ago when the rights to operate a port near the Canal was awarded to the Hong Kong company, Hutchinson Wampoa. Ports near the Canal are operated separately from the Canal and the ports have no influence over the Canal. Unfortunately, however, some exploited the port agreement to try to convince people that the Chinese had something to do with the Canal.

December 31, 2008, will mark the ninth anniversary of the Canal's historic handover from the United States to the Panamanian people, which was established under Title XIV of the National Constitution, with the exclusive charge of the administration, preservation and maintenance of the Canal. And the connection between the United States and Panama remains strong to this day. In fact, sixty-eight percent of the goods shipped through the Canal originated from or are destined for the United States. The United States is the largest user of the waterway, without peer.

The more than 9,000 employees at the Canal – and every Panamanian for that matter – are proud of Panama's successful operation of this vital waterway and the service it provides to global trade and commerce. Moreover, the Canal's historic Expansion Program is proceeding as planned and will provide global shipping with better service, additional capacity and the ability to transit post-Panamax ships – in 2014. In fact, just this week, senior leaders of five multilateral and development agencies met in Panama to sign an agreement to finance \$2.3 billion of the project's \$5.25 billion price tag.

To be clear, no country can claim ownership or operational control of the Canal. This prohibition is stated in Article 315 of our Constitution: "The Panama Canal constitutes an inalienable patrimony of the Panamanian Nation." Please visit this link to learn more: <http://www.pancanal.com/eng/legal/title/index.html>.

Thank you for allowing me to clear up this matter.

Best,

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Panama Canal Authority

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PANAMA CANAL AUTHORITY AWARDS THIRD EXPANSION EXCAVATION CONTRACT

CONTRACT AWARDED TO CONSTRUCTORA MECO, S.A.

PANAMA CITY, Panama, December 18, 2008 – The Panama Canal Authority (ACP) awarded Constructora MECO, S.A. the third of four dry excavation contracts Tuesday to help create an access channel linking the new Pacific locks with the Canal's existing Gaillard Cut (the narrowest stretch of the Panama Canal).

The contracting process began September 30, 2008 when the ACP released its request for proposals (RFP) for the excavation project. On December 4, 2008, the ACP received a total of six bids for the contract. Following a thorough review, the ACP determined that the lowest bidder, Constructora MECO, S.A., a Costa Rican firm established in Panama in 1995, met the requirements of the RFP and proceeded to award the contract to this company.

"This pivotal step in the process to build the new lane represents just one more example of the Expansion Program's steady progress. Constructora MECO, S.A. is a leading construction company in Latin America with expertise in the execution of infrastructure projects such as this one," said Executive Vice President of Engineering and Program Management Jorge L. Quijano. "The interest received for the Canal expansion's various elements demonstrates the industry's desire to make history and work on a very interesting and unique project."

The scope of work included in the contract encompasses the excavation, removal and disposal of 8 million cubic meters of material, which will further reduce Paraiso (Paradise) Hill from 46 meters to 27.5 meters above sea level. It also calls for the construction of approximately 2.5 kilometers of access roads and the clearing of 190 hectares of land bearing munitions and explosives of consideration (MEC), remnants from former U.S. military training in Panama.

The companies listed below submitted bids.

COMPANY	BID PRICE
1. Cilsa Minera María	\$74,654,321.90
2. Conalvias-Retraneq	\$61,323,876.97
3. Constructora Santa Fe, Ltd.	\$46,049,339.26
4. Corporación M&S Int.	\$45,218,642.00
5. Constructora Urbana, S.A.	\$38,200,000.00
6. Constructora MECO, S.A.	\$36,659,852.28

Expansion will build a new lane of traffic along the Panama Canal through the construction of a new set of locks which will double capacity and allow more traffic and longer, wider ships.

About the Panama Canal Authority (ACP)

The ACP is the autonomous agency of the Government of Panama in charge of managing, operating and maintaining the Panama Canal. The operation of the ACP is based on its organic law and the regulations approved by its Board of Directors. For more information, please refer to the ACP's Web site: www.pancanal.com.

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FOR IMMEDIATE RELEASE

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PANAMA CANAL AUTHORITY AWARDS THIRD EXPANSION EXCAVATION CONTRACT

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